



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 23-0194	Date:	June 26, 2023
Prime Sponsors:	Sen. Fields; Van Winkle Rep. Jodeh; Lynch	Bill Status:	Signed into Law
		Fiscal Analyst:	Josh Abram 303-866-3561 josh.abram@coleg.gov

Bill Topic:	MANUFACTURER PAY DEALER MOTOR VEHICLE WARRANTY
--------------------	-------------------------------------------------------

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill adjusts the conditions for a vehicle manufacturer to reimburse a vehicle dealership for performing service under a warranty. The bill minimally increases state workload on an ongoing basis.

Appropriation Summary:	No appropriation is required.
-------------------------------	-------------------------------

Fiscal Note Status:	The fiscal note reflects the enacted bill.
----------------------------	--------------------------------------------

Summary of Legislation

Under current law, a car manufacturer pays a car dealership for warranty repairs based on the dealer's charges for parts and labor. The bill requires that the manufacturers pay the dealer the retail labor rate multiplied by the applicable time allowances prescribed in the labor time guide used by the dealer. The bill also modifies the circumstances under which a manufacturer may contest the accuracy of charges made by the car dealer.

Background

Motor vehicle and other power sport manufacturers are regulated by the Department of Revenue (DOR), and car dealerships are regulated by the Colorado Motor Vehicle Dealer Board (MVDB) in the Auto Industry Division (AID) of the DOR. This bill falls under the enforcement purview of the AID.

State Expenditures

The bill may minimally increase workload in the AID to address issues as they arise between dealers and manufacturers. This fiscal note assumes a high degree of compliance by auto dealers and manufacturers, and any change in workload can be accomplished within existing appropriations.

Effective Date

The bill was signed into law by the Governor on April 3, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State and Local Government Contacts

Revenue